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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 In re
12 PG&E CORPORATION,
13 - and -

14 PACIFIC GAS AND ELECTRIC
COMPANY,
15 Debtors.
16

- 17 ☐ Affects PG&E Corporation
18 ☐ Affects Pacific Gas and Electric Company
19 ☒ Affects both Debtors

20 * All papers shall be filed in the Lead Case,
21 No. 19-30088 (DM)
22

Bankruptcy Case
No. 19-30088 (DM)
(Lead Case)
(Jointly Administered)

Chapter 11

**STATEMENT OF THE FEE EXAMINER
IN SUPPORT OF MOTION OF THE
UNITED STATES TRUSTEE FOR
ORDER APPOINTING FEE EXAMINER
AND ESTABLISHING PROCEDURES
FOR CONSIDERATION OF
REQUESTED COMPENSATION AND
REIMBURSEMENT OF EXPENSES**

Date: May 22, 2019
Time: 9:30 a.m.
Place: 450 Golden Gate Ave.
Courtroom 17
San Francisco, CA 94102
Judge: Hon. Dennis Montali

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25 Bruce A. Markell, the fee examiner (the "Fee Examiner") in these jointly administered
26 Chapter 11 reorganization cases of PG&E Corporation and Pacific Gas and Electric Company
27 (collectively, the "Debtors"), hereby files the attached statement regarding the role and
28 responsibilities of the Fee Examiner in these cases.

1 On May 22, 2019, at 9:30 a.m., this Court held a hearing on the U.S. Trustee's MOTION OF
2 THE UNITED STATES TRUSTEE FOR ORDER APPOINTING FEE EXAMINER AND ESTABLISHING
3 PROCEDURES FOR CONSIDERATION OF REQUESTED COMPENSATION AND REIMBURSEMENT OF
4 EXPENSES [Docket No. 1370] (the "Fee Examiner Motion"). At the hearing on the Fee Examiner
5 Motion, the Court requested that Professor Markell file a brief statement setting forth his
6 understanding of his role and responsibilities as Fee Examiner, and describing his need for counsel
7 in the matter.

8 Attached hereto as **Exhibit A** is the Fee Examiner's statement, as requested by the Court.

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10 DATED: May 24, 2019

SCOTT H. McNUTT

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12 By: /s/ Scott H. McNutt
13 Scott H. McNutt
14 Proposed Attorney for the Fee Examiner
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Exhibit A

Statement of Bruce A. Markell Regarding Role and Responsibilities of Fee Examiner

As requested by the Court, these are my views on the roles and responsibilities of a fee examiner:

1. A fee examiner is an independent entity. His or her primary purpose is to ensure that all professional fees and expenses comply with Section 330 of the Bankruptcy Code; that is, that such fees and expenses are reasonable, actual, and necessary. The order appointing me as examiner contains a partial list of my duties. These include monitoring, reviewing, and, when appropriate, objecting to fees and expenses. Of course, the Court can always enlarge these duties.
2. Courts appoint fee examiners when the fee and expense review process would be burdensome in relation to other matters pending in the case. That situation exists here. While litigating the novel and complex legal issues presented by these cases, hundreds of professionals have already logged thousands of hours and billed millions of dollars. The time necessary to review and assess this large amount of work could easily overburden a court's chambers. A fee examiner lessens that burden.
3. Another benefit is the establishment of a regular and uniform process to review fees and expenses for all parties. In my experience, when large numbers of professionals work on a single case, especially from different firms, there is a potential for waste and duplication. A clear set of rules provides guidance so that professionals can avoid billing for inappropriate items. Such rules also provide a basis to object to inappropriate fees or expenses. A fee examiner process thus promotes consistency, predictability, and transparency.
4. Finally, a fee examiner cannot both act alone and act competently. Successful fee examiners create a team. My team will include a data analytics firm, Legal Decoder, Inc., which will initially analyze all billing data. I have also arranged for various legal professionals to review the requested fees.
5. An additional essential component of any fee examiner team is local counsel. Local counsel: provides a seasoned intermediary to ensure compliance with local rules as to filings and appearances; advises on a particular court's customs and practices; and provides necessary advice on legal matters that may impact the fee examiner's ongoing duties. Finally, in the event a fee or expense objection cannot be resolved by consent, local counsel is necessary to litigate — a fee examiner cannot act as both counsel and witness in the same matter. For these reasons, local counsel is necessary for me to accomplish the task assigned.

/s/ Bruce A. Markell

Bruce A. Markell